March 16, 2018

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Secretary Azar:

We respectfully urge you and the Centers for Medicare and Medicaid Services ("CMS") to provide immediate regulatory relief to the U.S. citizens of Puerto Rico by adjusting Medicare Advantage ("MA") payment rates. Doing so will correct historic disparities in the administration of the island’s MA program, while also reducing costly migration, curbing physician shortages, and improving overall health.

The MA program serves as the central pillar of Puerto Rico’s health care system. The rate of MA enrollment for seniors on the island is nearly double that of any other US jurisdiction - roughly 75% of the eligible population.

Despite this substantial reliance on the program, Puerto Rico has lost 20 percent of its MA funding in the last six years. As a result of these dramatic cuts, the Puerto Rico system has an MA reimbursement rate that is 43 percent below the national average and 26 percent below that of its neighbors, the U.S. Virgin Islands. That disparity must end if we are to have any hope of improving the island’s struggling health care system.

The Department has an opportunity to correct this in its 2019 Advance Notice, which we understand will be finalized in early April. Unfortunately, the recently issued draft Notice does not come close to addressing this long-standing disparity - it leaves payment rates at over 40 percent less than mainland rates.

Indeed, even well before the horrendous damage caused by Hurricane Maria, the Congressional Task Force on Economic Growth in Puerto Rico recommended that policymakers consider adjustments to MA rates to better reflect the needs of the island.

We urge CMS to follow through with that bipartisan, bicameral recommendation and take administrative action to address the significant underfunding of Puerto Rico’s Medicare Advantage program. CMS has previously addressed MA reimbursement disparity in earlier call letters with more modest modifications, and we strongly urge CMS to build on these proposals with more robust changes for 2019. Given that there are fewer Medicare beneficiaries in Puerto Rico enrolled in traditional Medicare compared to enrollment in mainland states, the traditional Medicare enrollment numbers are not an appropriate measure to gauge the resource needs of the much larger MA population. Establishing an alternate methodological rate to calculate MA
payments for Puerto Rico by establishing an Average Geographic Adjustment factor floor of .70 is one efficient way to provide relief to both beneficiaries and providers. During the implementation period of this adjustment, CMS could establish special reporting requirements for health plans to monitor and validate its impact on physicians and hospitals.

Thank you for your attention to this important matter. Medicare beneficiaries in Puerto Rico, and the entire healthcare system on the island, are counting on HHS to finally address this longstanding inequity.

Sincerely,

[Signatures]
Brian K. Fitzpatrick
Peter King
J. D. McCaffrey
Charlie Crist
Phil Roe
Debbie Wasserman Schultz
Cosigners

Jennifer González-Colón
Sean P. Duffy
Pete Sessions
Ileana Ros-Lehtinen
Scott Perry
Sean Patrick Maloney
Carlos Curbelo
Don Bacon
Thomas MacArthur
Brian Fitzpatrick
Rob Bishop
Peter King
Mario Diaz-Balart

José E. Serrano
Gregory Meeks
Bobby L. Rush
Luis V. Gutiérrez
Joseph Crowley
Stephanie Murphy
Grace Meng
Darren Soto
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David P. Roe
Debbie Wasserman Schultz